

POLICE FIRE CITIZEN'S TASK FORCE

July 15, 2009 – 6:00 p.m.

4th Floor Conference Room, Busch Municipal Building

PRESENT: Jerry Fenstermaker – Chairman, Jerry Harmison, Vice-Chairman, Lorenzo Baldwin, Mary Beth Daniels, Gordon Elliott, Carl Herd, Danny Hyde, Bob Horton, James Jeffries, Bob Jones, Charles Munsey, Craig Wagoner, Lloyd Young

PRESENT VIA CONFERENCE PHONE: Ken Homan, Peggy Kubicek, Evelyn Honea – Deputy City Manager

CITY COUNCIL MEMBERS:

CITY STAFF LIAISONS: Greg Burris – City Manager, Collin Quigley – Assistant City Manager, Dan Wichmer - City Attorney, Chief Lynn Rowe – Police, Louise Whall - Director of Public Information, Sharon Smith - City Manager's Office

ABSENT: David Trippe

Mr. Jerry Fenstermaker called meeting to order. Mr. Fenstermaker noted Ken Homan, Peggy Kubicek, and Evelyn Honea are at MAPERS Conference; therefore they are joining via conference call. At this time, Mr. Homan and Ms. Honea joining conference call. Mr. Homan and Ms. Kubicek will state their votes via conference call for any items requiring a vote.

Minutes from June 30 meeting were reviewed by Committee. Mr. Bob Jones made a motion to accept minutes. Mr. Danny Hyde seconded. Minutes approved.

Minutes from July 7 meeting were reviewed by Committee and corrections made. Page 2, Paragraphs 9 and 10 – corrected motion language and corrected Mr. Elliott's motion vote to a (3 Yes and 8 No) vote. Mr. Jones made a motion to accept amended and corrected minutes. Mr. Jerry Harmison seconded. Amended and corrected minutes approved.

Mr. Fenstermaker reviewed the schedule, which includes two Town Hall meetings and City Council presentations.

6:08 p.m. - Ms. Kubicek joined the meeting via conference call.

Mr. Fenstermaker asked Ms. Honea to review the memo she provided to the Task Force on July 14 regarding extended service to Police Fire employees. She is working with the Joint Committee on Public Employee Retirement on two questions regarding additional benefit: 1) would the Commission consider it an additional benefit if the member continued to work an additional 1 to 5 years and receive an additional 1% retirement per additional year worked, and

2) would a DROP program be considered a benefit. Ms. Honea stated she plans to have an update to the Task Force by July 22, if she can get responses to these questions before then. Mr. Fenstermaker stated if there are no objections, this issue will be tabled until the Task Force receives the updated report from Ms. Honea.

Mr. Fenstermaker asked that tonight the Task Force discuss and resolve some of the outstanding issues that have yet to be addressed. A list of "Outstanding Issues" dated July 15, 2009 was distributed for review. The following issues were reviewed:

Telecommunication lawsuit: The following motion was made by Mr. Danny Hyde: If and when the City receives any net proceeds from pending telecommunication lawsuit settlements, the Task Force recommends to Council and all future Councils - understanding future Councils cannot be bound by current decision - that funds will be placed in Pension Fund, above and beyond the recommended 35% City contribution. Mr. Jerry Harmison seconded motion. Mr. Harmison asked for clarification that they were talking about only the lump sum settlement amount and not the monthly payments. Mr. Hyde confirmed. **Approved with a vote of (10 Yes and 4 No).**

¼-cent Capital Improvement Program (CIP) Tax: The following motion was made by Mr. Bob Jones: The Task Force recommends the CIP tax fund not be applied to the Pension Fund and the City continues to put before the public the continuance of the present CIP tax for improvement projects. Mr. Elliott seconded motion. **Approved with a vote of (14 Yes and 0 No).**

Bankruptcy: The following motion was made by Mr. Bob Jones: The Task Force recommends the City not file for bankruptcy. Mr. Hyde seconded motion. **Approved with a vote of (14 Yes and 0 No).**

Disability Insurance: The following motion was made by Mr. Bob Jones: The Task Force recommends no change be made to the disability insurance. Mr. Chad Munsey seconded. For clarity, Mr. Jones withdrew his motion and Mr. Elliott made a motion as follows: The Task Force recommends the disability pension for Tier 1 employees continue to be self-insured by the Pension Fund. Mr. Jeffries seconded. **Approved with a vote of (14 Yes or 0 No).**

Dr. Lloyd Young requested we address the Pension Board and what their role and mission is. Mr. Fenstermaker asked Mr. Homan if he and other Pension Board members would be willing to address and discuss with the Task Force at the July 22 meeting. Mr. Homan stated he would try and contact other Pension Board members to attend and help present what the Board does and what the fiduciary and ordinance requires this Board to do.

Land Asset Sale: The following motion was made by Mr. Carl Herd: The Task Force study the list of City properties to determine what can be sold and place those funds into the pension. Mr. Jones seconded motion. Mr. Fenstermaker asked Ms. Honea if the City property list would be ready to release by next week. She stated the Finance and Administration Committee meeting is scheduled for the first week in August and staff will be forwarding the list to this committee around July 30, and list will not be available to the public until that time.

Mr. Hyde spoke against the motion. He stated the City needs to formulate a plan whereas the City looks at properties and decides which ones can be sold and those proceeds would go into the Pension Fund. Mr. Herd withdrew his motion. The following motion was made by Dr. Young: The Task Force recommends City management and City Council sell any City property which

might be sold as expeditiously as possible, when and where possible. Mr. Hyde seconded. Mr. Jones moved to amend the motion to change the clause “expeditiously as possible” to “when practical”. Dr. Young accepted amendment to his motion. New motion: The Task Force recommends City management and City Council sell any City property which might be sold when practical. **Approved with a vote of (14 Yes and 0 No).**

Mr. Bob Horton left the meeting for the evening.

City Utilities: Mr. Jones presented his opinion on why the City should/should not use City Utilities funds (document attached). The following motion was made by Mr. Jones: The Task Force recommends City Utilities not finance the Pension Fund. Mr. Danny Hyde seconded. **Approved with a vote of (12 Yes and 1 No).**

1.5 mill Property Tax: The following motion was made by Mr. Jones: The Task Force recommends that the 1.5 mill Property Tax not be used for the Pension Fund. Dr. Young seconded motion. **Approved with a vote of (13 Yes and 0 No).**

Mr. Gordon Elliott proposed the Task Force recommend to the City Manager to permanently close two Fire Stations until funding is better, rather than rotate closings. Mr. Carl Herd seconded motion. **Failed with a vote of (2 Yes and 11 No).**

Mr. Fenstermaker distributed a handout (document attached) discussing Tier 1 employees migrating to LAGERS. Mr. Fenstermaker stated: Does the Task Force have an obligation if it now knows that there is a possibility out there? Should we recommend the City pursue that with a cost of \$10,000-\$15,000? There is no funding for that anywhere. The Pension Board has reviewed this potential project for Milliman to do the cost analysis and has rejected the idea of funding it out of pension resources. This is a development over the last 2-3 weeks and could shift the Task Force’s focus. Mr. Homan stated it is the Pension Board’s responsibility to look at the present fund and to not look for alternatives to this mechanism. Pension Board tries to keep current plan viable.

Ms. Honea said she recently visited with Keith Hughes of LAGERS and asked why they would not consider Tier 1 employees when the prior study was requested for Tier 2 employees. Mr. Hughes stated they were never asked to take Tier 1 employees to LAGERS going forward. If they take Tier 1 employees going forward, all benefits earned up to that point would be paid by the current pension system. LAGERS would only be taking future service. It would have to be a 100% voluntary participation to move all Tier 1 employees to LAGERS. The City would also be responsible for paying the differences between the LAGERS benefit and the current system benefits for future service.

Mr. Jeffries made a motion to recommend the City expend the funds for the study. Mr. Elliott seconded motion. **Approved with a vote of (10 Yes and 2 No).** Mr. Homan abstained.

Mr. Elliott asked the City Attorney to confirm: From the City’s standpoint, does the City have to get 100% approval from participants of Tier 1 and Tier 2 employees in order to put them in LAGERS from this point on? Mr. Wichmer stated this would be considered a reduction of benefits, so there would have to be a vote of those employees.

Meeting adjourned at 8:15 p.m.